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**U.S. Small Business Administration
 Office of Veterans Business Development**

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For More Information

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: **202-205-7064**
- E-mail: answerdesk@sba.gov
- **TDD: 704-344-6640**
- Your rights to regulatory fairness:
1-800-REG-FAIR
- SBA Home Page: www.sba.gov

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.

Veterans Business Outreach Centers

Veterans Business Outreach Centers are regionally based facilities that provide business, technical and financial assistance to veteran and service-disabled veteran small business owners/entrepreneurs; to self-employed reserve component members and to transitioning military personnel exploring the career opportunities small business ownership offers.

The centers are funded by the Office of Veterans Business Development, in the headquarters office of the U.S. Small Business Administration, and are tasked in aiding veterans and reservists in acquiring the skills necessary to start or improve business operations and performance while effectively managing staff, finances and resources.

All centers provide programs and services, which either impart or enhance core competencies small business owners need in managing the day-to-day operations of the business while simultaneously ensuring that these business owners have the knowledge and aptitude essential to making informed business decisions.

Core services range from counseling and training or special outreach initiatives, such as procurement training or business matchmaking opportunities to directed referrals and e-based assistance.

In addition to core programs and services, the centers offer specialized programs and services tailored to meet the specific needs of the local veteran business communities they serve. These specialized services include but are not limited to concept assessment, market analysis, use of the Internet as a tool for developing and expanding businesses, strategic planning, comprehensive feasibility analysis and cost projections, and more.

VBOC staff, working in conjunction with other SBA resource partners, target entrepreneurial projects and counseling sessions that are tailored specifically to address the needs and concerns of the service-disabled veteran entrepreneur.

Because of their level of commitment in helping veterans and reservists succeed as small business owners, and in assuring that their clients have the best possible assistance, VBOC staff conduct onsite visits with clients to ensure adherence to their business plans. In addition to these onsite visits, staff perform monthly reviews of financial statements to determine whether a revision of the business plan is warranted or if desired results are being attained.

VBOCs also offer training in areas such as international trade, franchising, accounting, marketing, developing an effective market-entry strategy and other business management-related topics.

Since the inception of the Veterans Business Outreach Program (VBOP) in 1999 and establishment of the VBO Centers to carryout its charge, over 100,000 veterans, service-disabled veterans, reserve component members and transitioning military personnel have received counseling, training, directed referral and e-based assistance.

To date, there are five centers operating regionally. These centers and their areas of coverage are:

New York

The Research Foundation of the State University of New York

States Covered: New York, New Jersey, Puerto Rico, Virgin Islands

Florida

The University of West Florida in Pensacola

States Covered: Florida, Georgia, Alabama, South Carolina, Mississippi, Kentucky, Tennessee, North Carolina

Texas

The University of Texas – Pan American

States Covered: Texas, New Mexico, Arkansas, Louisiana, Oklahoma

California

Vietnam Veterans of California - VBOC

States Covered: California, Arizona, Guam, Hawaii, Nevada

Pennsylvania

Robert Morris University

States Covered: Pennsylvania, Maryland, West Virginia, Virginia, Delaware, District of Columbia

For more information on VBOC programs and services or for information on business assistance for veterans or reservists, visit www.sba.gov/vets.

The Sale of a Business - Internal Revenue Service

The sale of a business usually is not the sale of one asset. Instead, all the assets of the business are sold. Generally, when this occurs, each asset is treated as being sold separately for determining the treatment of gain or loss.

A business usually has many assets. When sold, these assets must be classified as capital assets, depreciable property used in the business, real

property used in the business, or property held for sale to customers, such as inventory or stock in trade. The gain or loss on each asset is figured separately. The sale of capital assets results in capital gain or loss. The sale of real property or depreciable property used in the business and held longer than one (1) year results in gain or loss from a section 1231 transaction. The sale of inventory results in ordinary income or loss.

Partnership Interests

An interest in a partnership or joint venture is treated as a capital asset when sold. The part of any gain or loss from unrealized receivables or inventory items will be treated as an ordinary gain or loss. For more information on the sale of partnership interest, see Disposition of Partner's Interest in Publication 541.

Corporation Interests

Your interest in a corporation is represented by stock certificates. When you sell these certificates, you usually realize capital gain or loss. For more information on the sale of stock, see chapter 4 in Publication 550.

Corporate liquidations

Corporate liquidations of property generally are treated as a sale or exchange. Gain or loss generally is recognized by the corporation or an liquidating sale of its assets. Gain or loss generally is recognized also on a liquidating distribution of assets as if the corporation sold the assets to the distributee at fair market value.

In certain cases in which the distributee is a corporation in control of the distributing corporation, the distribution may not be taxable. For more information, see Internal Revenue Code section 332 and its regulations.

Allocation of consideration paid for a business

The sale of a trade or business for a lump sum is considered as sale of each individual asset rather than of a single asset. Except for assets exchanged under any nontaxable exchange rules, both the buyer and seller of a business must use the residual method to allocate consideration to each business asset transferred. This method determines gain or loss from the transfer of each asset and how much of the consideration is for goodwill and certain other intangible property. It also determines the buyer's basis in the business assets.

Consideration



The buyer's consideration is the cost of the assets acquired. The seller's consideration is the amount

realized (money plus the fair market value of property received) from the sale of assets.

Residual method

The residual method must be used for any transfer of a group of assets that constitutes a trade or business and for which the buyer's basis is determined only by the amount paid for the assets. This applies to both direct and indirect transfers, such as the sale of a business or the sale of a partnership interest in which the basis of the buyer's share of the partnership assets is adjusted for the amount paid under section 743(b) of the Internal Revenue Code. Section 743(b) applies if a partnership has an election in effect under section 754 of the Internal Revenue Code.

A group of assets constitutes a trade or business if either for the following applies.

-  Goodwill or going concern value could under any circumstances, attach to them.
-  The use of the assets would constitute an active trade or business under section 355 of the Internal Revenue Code.

The residual method provides for the consideration to be reduced first by the cash and general deposit accounts (including checking and savings accounts but excluding certifications of deposits). The consideration remaining after the reduction must be allocated among the various business assets in a certain order. To find out more about how to make the allocation among assets in proportion, refer to Publication 544, Sales and Other Dispositions of Assets.

For additional information on business tax requirements and federal tax laws, visit www.irs.gov.

SBA Helps North Carolina Veterans at “Patriot – Small Business Success Day” in Cary, NC by Mike Ernandes

SBA's aggressive outreach to veterans in North Carolina included a special event hosted by Wake Tech Community College showcasing SBA programs and small business resources for military members and their spouses. The NC district is home to over 750,000 veterans and military installations.

“Patriot Express Day” drew about 70 attendees. Workshops featured veterans specializing in accounting, law and business development. A highlight was the panel discussion, “The Greatest

Generation,” that included testimonials from North Carolina World War II veterans.

“We are proud to help the members of our armed forces,” said Lee Cornelison, District Director, and we are grateful to Wake Tech Community College for hosting this important event.”

During 2007 and 2008, the district has approved 280 loans to veterans for almost \$27 million.

Business Planning Articles

The Central Contractor Registration Database

Enrolling in the Central Contractor Registration (CCR) database is a requirement for all firms interested in selling to the government for a contract to be awarded by any federal government agency. The registration process not only collects general information about a company, but it also gathers the information required to perform Electronic Funds Transfer (EFT), which is a requisite for all federal agencies.

According to the Federal Acquisition Regulation (FAR), prospective contractors must be registered in the CCR database before the award of a contract or agreement, except under the following circumstances:

1. purchases made using a government-wide commercial purchase card for both the purchasing and payment mechanism, in lieu of using the purchase card only as the payment methods for national or civil emergencies.
2. classified contracts when registration in the CCR database, or use of CCR data could compromise the safeguarding of classified information or national security.
3. contracts awarded by 1) deployed contracting officers in the course of military operations including but not limited to contingency operations as defined by 10 U.S.C. (a)(13) or for humanitarian or peacekeeping operations as defined by 10 U.S.C. 101(a)(13), or 2) contracting officers conducting emergency operations, such as responses to natural or environmental disasters needs;
4. awards made to foreign vendors for work performed outside the United States; if it is impractical to obtain CCR registration; and
5. micro-purchases that do not use the electronic

funds transfer method of payment and are not required to be reported.

Small business owners may register in CCR online or by fax. The recommended method, however, is online because it is quick and the process is user friendly. You can register online at one of the following sites www.ccr.gov or www.bpn.gov; once you log on, read the instructions and follow the prompts.

It is important to keep your information current in CCR or any database where acquisition opportunities are posted. This assures that as contracting opportunities become available, and if a contracting officer is interested in your company, he or she has the most current contact information and can reach you to discuss this opportunity. CCR data should be kept current at all times and must be updated/confirmed at least once each year after initial registration.

Identifying and Selecting Multiple NAICS Codes

The CCR database requires you to identify industry or product codes on your application as a way of determining what products or services your company offers. The North American Industrial Classification system (NAICS, pronounced NAKES) codes are used for this purpose.

In 1997, the Office of Management and Budget (OMB) decided to adopt the North American Industrial Classification System as the industry classification system used by statistical agencies of the United States. NAICS has replaced the 1987 Standard Industrial Classification (SIC) system. A company may have multiple NAICS codes, with all listed in the CCR. This is an excellent way to increase business opportunities because your firm has multiple areas for consideration. The NAICS codes can be found on the Bureau of Census website at www.census.gov/naics.

It is important, however, to note that registration in the CCR does not market a company to government buyers. The CCR collects information necessary for a government buying activity to contact or maintain contact with a company. The actual marketing of your firm to government buyers is something you must do as a business owner.

IRS e-News for Small Businesses: A Time Saver for Small Businesses and the Self-Employed

Keeping up with federal tax requirements is not always easy in today's fast-changing business environment. Even if small businesses and the self-employed use tax professional services, they still need to know and understand their tax responsibilities. That's why the IRS is working to provide business people with timely information to help them understand and meet their tax obligations.

IRS e-News for small business offers small businesses and the self-employed a real time-saver. e-News is a bi-weekly newsletter that alerts them to what's new, hot and important for small business owners to know. It's quick to read, easy to subscribe to – and it's free.

e-News for Small Businesses is the IRS's e-newsletter for businesses with specialized content consisting of:

- Important upcoming tax dates for small businesses
- What's new for small businesses on IRS.gov
- Reminders and tips to assist small businesses with tax compliance
- IRS news releases and special IRS announcements
- Direct links to a variety of websites and resources
- Availability of IRS products, services and training opportunities.

Business people may also want to take a look at other IRS e-newsletters:

- IRS Tax Tips – tax information via e-mail from the IRS daily during the tax-filing season and periodically the rest of the year.
- Retirement News for Employers – information about current developments and upcoming events within the retirement plan arena; issues periodically during the rest of the year.

For additional information on IRS services, visit www.irs.gov.

Sources Sought Notices – 12 Tips for Success by GSA's Small Business GWAC

As an industry partner seeking federal opportunities you probably have seen or responded to a Sources Sought notice in the FedBizOpps website. A Source Sought notice is a way for federal agencies to survey the marketplace for companies or solutions that can meet their requirements or validate their proposed approach to a solution.

Furthermore, as a contract holder with the Small Business GWAC Center, you receive e-mail messages from GSA

making you aware of potential business opportunities. This activity is performed as a courtesy and as a way to promote the small business GWACs but more importantly, it provides your company with opportunities to participate in federal procurements that you might not otherwise have known about.

In responding to Sources Sought notices, here are some tips to keep in mind:

1. Read the notice carefully.
2. Be sure to clarify any items or language that is unclear prior to preparing your response.
3. Ask the requesting Contracting Officer and Office of Small and Disadvantaged Business Utilization for information regarding the acquisition strategy. Many organizations post their small business office or representative's e-mail address on their website so that this information is publicly available to you.
4. Know the customer and context of the potential acquisition. Let it inform your response.
5. Offer evidence of your company's technical approach when proposing the organization pursue a particular technical solution or direction.
6. Proofread your response for technical clarity, spelling and organization.
7. Inform them that you are a contract holder on GSA's 8(a) STARS, VETS and/or COMMITS NexGen GWACs.
8. Offer to meet with them to follow up.
9. If responding via e-mail, include the organization's small business specialist or office as a 'cc' addressee so that they are aware of the Sources Sought notice and of your company's response.
10. Make sure your response is timely.
11. Be persuasive and persistent, but don't spam the designated point(s) of contact.
12. Inform the Small Business GWAC Center of questions, issues or concerns pertaining to contract language or policy.

Small Business GWAC Sales

Total order value as of June 30, 2008:

 8(s) STARS	\$1,307,059,074
 VETS	\$ 124,601,223

VBOC Success Stories

Florida V.B.O.C. and House Bill 687 SERVICE DISABLED VETERAN BUSINESS ENTERPRISES

Service-disabled veteran owned small businesses (SDVOSB) got a boost in June as Florida Governor Charlie Crist signed into law new legislation mandating SDVOSB preference in state contracting.

Governor Crist signed House Bill 687 into law at Tyndall Air Force Base accompanied by State Representatives Jimmy Patronis and Marti Coley, Executive Director of the Florida Department of Veterans Affairs Rear Admiral LeRoy Collins Jr., Military dignitaries, along with Business Analysts Tony Zacchio and Brent Peacock of the **Veterans Business Outreach Center** (V.B.O.C.). The VBOC is located at the Bay County Small Business Incubator and provides counseling and resources for veteran owned small businesses in the Southeast eight state region (FL, GA, AL, MS, SC, NC, TN, and KY).

Featured at the bill signing was V.B.O.C. client Gary Harris, a service-disabled veteran business owner whose company, American Building Inspectors Corporation, is poised to take advantage of this new law. ABI is based in Ft. White, FL and offers commercial and residential building inspections, legal and real estate services. Another V.B.O.C. client was also in attendance, Carl Adams of PC Engineering; Lynn Haven, FL. His company subcontracts engineering services to the Navy base and is looking forward to obtaining a more level playing field as a result of the new legislation.

This legislation aims to provide preferential treatment to service-disabled veteran small business owners who do business with State Government (see article: <http://governor.myflorida.com/release/10052>). Tony Zacchio, Director of the V.B.O.C., says this new legislation will empower our local veteran businesses to be more competitive statewide and is confident the trend will continue nationally.

The V.B.O.C. staff members returned from a speaking engagement at the **Entrepreneurship Bootcamp for Veterans with Disabilities (EBV)** <http://whitman.syr.edu/ebv/> in Tallahassee, which is a Nationwide entrepreneurship curriculum that consists of a series of training modules designed to assist in growing successful companies.

American Building Inspectors Corporation

American Building Inspectors (ABI) Corp was created with several goals in mind: to provide a great service, to give their family an excellent income, to assist other veterans and to protect our environment. ABI's services include local commercial and residential inspections, legal services and real estate inspections. Their international services include acquisition inspections, consulting projects and government contracts.

Gary and Delayna Harris opened this women-owned, veteran operated business on November 1, 2007 after seeking assistance from the VBOC. Gary has been doing commercial inspections for many years. He felt that the experience Delayna had through school and other administrative jobs would be an asset to his business. ABI Corp. is a very successful business because of Delayna and Gary's experience. Gary states, "We had challenges to meet before we could begin. We needed working capital, but didn't want to go into debt. Since we had both been United Parcel Service employees, we made the decision to use our retirement savings to fund our business startup. This provided the working capital we needed to begin a debt free company."

"By using the no cost services of the Gainesville, Florida SBDC, we had professional assistance to help us launch our business plan into action," said Gary. "We would like to thank Pat from the Gainesville SBDC for all of his help and John Miller from the Lynn Haven, Florida VBOC for his involvement and assistance." Florida Crown Workforce also helped in bring ABI into existence.

Delayna Harris attended the University of Kansas. She also has experience in administrative jobs through Outback Steak House. Gary obtained most of his education through the military. He has extensive experience with commercial inspections through his military background.

He is committed to helping other veterans with any assistance he can offer. Delayna and Gary donate a portion of their profits to veterans and their families. They also support environmental awareness through

OTHER WEBSITE RESOURCES

<http://www.irs.gov/newsroom/article/0,,id=97273,00.html>
www.military.com
www.vetjobs.com
www.publicforuminstitute.org
www.commerce.gov
www.hirevestfirst.gov
www.hirevestfirst.gov/smallbizown.asp
www.dol.gov
www.ssa.gov/emergency
www.ssa.gov
www.sba.tmonline
[ESGR Programs](#)
[ESGR Tips for Military Members](#)
[Veterans Business Outreach Center: Serving the Veterans of New York State](#)
[Veterans Business Outreach Center – University of West Florida](#)
[Veterans Business Outreach Center – Robert Morris University](#)
[Veterans Business Outreach Center – The University of Texas-Pan American](#)
[Veterans Business Outreach Center – California VBOC Office of Advocacy](#)
<http://www.apta-us.org/new/>
[Project Manager for Katrina to Aid Individuals with Disabilities](#)
www.nchv.org
http://www.nvti.cudenver.edu/resources/VETSNET/vol14no2/vnmain_v14n2.htm
[Kauffman eVenturing](#) www.eVenturing.org

use of their paperless inspection services. This passion to give to veterans and the environment inspires Mr. Harris to start his own venture, American Building Inspectors, Inc., in Ft. White, FL in November of 2007.

After requesting assistance and receiving guidance from Tony Zacchio and John Miller of the VBOC, Mr. Harris started his business with his own equity injection of \$10,000.

Veterans We Salute You!